

BIBOJEE GROUP



Quarterly Accounts
September 30, 2020
(Un-audited)



GAMMON PAKISTAN LIMITED

COMPANY INFORMATION

President of Gammon Pakistan Limited

Lt.Gen (Retd)Ali Kuli Khan Khattak

Board of Directors

Fazal-ur-Rehman Khan Burki

Saad Waheed

Kamal Abdullah

Khalid Kuli Khan Khattak

A.Karim Khan

Muhammad Kuli Khan Khattak

Sikandar Kuli Khan Khattak

Chairman

Independent Director

Independent Director

Director

Director

Director

Director

Chief Executive Officer

Muhammad Salahuddin-FCA

Audit Committee

Fazal-ur-Rehman Khan Burki

Kamal Abdullah

Khalid Kuli Khan Khattak

Sikandar Kuli Khan Khattak

Chairman

Member

Member

Member

HRC ommittee

Khalid Kuli Khan Khattak

Muhammad Salahuddin-FCA

Kamal Abdullah

Sikandar Kuli Khan Khattak

Chairman

Member

Member

Member

Company Secretary

Amin ur Rasheed

Chief Financial Officer

Nadeem Ahmed

Internal Auditor

Nasir Ali Khan-ACCA

External Auditor

M/s BDO Ebrahim & Co.

Chartered Accountants

Islamabad

Legal Advisor

Chanda Law Associates

Rawalpindi

Advocates

Stock Exchange

The Gammon Pakistan Limited is a listed Company and its Shares are traded on Pakistan Stock Exchange Limited

Bankers

Silk Bank Limited

Askari Bank Limited

National Bank of Pakistan

Bank of Punjab

Habib Bank Limited

Allied Bank Limited

Registered Office

Gammon House, 400/2

Peshawar Road, Rawalpindi

Tel: 051-5477326-7

Fax: 051-5477511

E-mail: gammon1@dsl.net.pk

Share Registrar

Vision Consultant Limited

Share Registrar

3-CLDA Flats, 1st Floor

Lawrence Road, Lahore

Tel:+9242-36283096-97

Email:share@vcl.com.pl

Web:www.vcl.com.pk

www.gammonpakistan.com

DIRECTOR'S REPORT

The directors of your Company have pleasure in presenting their report, together with un audited financial statements for the first quarter ended September 30, 2020.

PERFORMANCE REVIEW

The principal activity of the Company is all type of construction specially Buildings and Bridges. The highlights of the Company's financial results as compared to the preceding year are as follows:

Particulars	July -Sep 2020, (Rupees)	July -Sep 2019 (Rupees)
Contract Income	50,892,144	32,158,540
Contract Expenditure	(48,275,335)	(31,931,467)
Net contract profit	2,616,809	222,073
Loss before taxation	1,274,620	1,185,384
Taxation	(1,339,013)	(1,494,235)
Profit/(loss) after tax	182,527	(308,851)

It is great pleasure to inform that revenue from contracts has increased by 37% as compared to same period last year despite severe economic crunch in almost all industrial sectors around the globe.

Work at Bridges of Old Bannu Road dualization Project is progressing well. The work done booked on this project during the quarter is Rs 50.8 million.

MTC project Fateh Jang has been completed and we are in the process of handing over to client.

Similarly Fiber optic laying project is also complete.

FUTURE PROSPECTS

Despite critical financial constraint specially after Covid19 outbreak, the whole world's economies around the globe are under serious stress. We are tendering for some reasonable projects and your Company is expecting to acquire good works at favourable rates in the near future.


ACKNOWLEDGMENT

We appreciate the hard work and dedication of the Company's Management, engineers and employees during the period under review.

We would also like to express our gratitude to our bankers, clients and suppliers for their co-operation, support and trust reposed in the Company.

For and on behalf of Board of Director's


Muhammad Salahuddin
Chief Executive Officer


Khalid Kuli Khan Khattak
Director

گیمن پاکستان لمیٹڈ

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2020ء کی پہلی سہ ماہی کے اختتام پر کمپنی کی غیر آڈٹ شدہ مالیاتی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

کارکردگی کا جائزہ

کمپنی کی بنیادی سرگرمی تمام قسم کے تعمیراتی کام بالخصوص عمارتوں اور پلوں کی تعمیر ہے۔ پچھلے سال کے اسی عرصے کے مقابلے میں کمپنی کی مالیاتی نتائج کی اہم جھلکیاں مندرجہ ذیل ہے:-

جولائی - ستمبر 2019ء	جولائی - ستمبر 2020ء	
(روپے)	(روپے)	
32,158,540	50,892,144	پراجیکٹس سے آمدن
(31,931,467)	(48,275,335)	پراجیکٹس کا خرچ
222,073	2,616,809	مجموعی منافع
1,185,384	1,274,620	قبل از ٹیکس منافع
(1,494,235)	(1,339,013)	ٹیکس
(308,851)	182,527	منافع بعد از ٹیکس

میں یہ بتاتے ہوئے خوشی محسوس کرتا ہوں کہ دنیا بھر کے تقریباً تمام صنعتی شعبوں میں شدید معاشی بحران کے باوجود گزشتہ سال کی پہلی سہ ماہی کے مقابلے میں پراجیکٹس سے حاصل ہونے والی آمدن میں 37% اضافہ ہوا ہے۔

اولڈ پنوں روڈ پلوں کے پراجیکٹ پر کام تیزی سے جاری ہے۔ اس سہ ماہی کے دوران اس پراجیکٹ پر 5 کروڑ 80 لاکھ روپے کا کام ہوا ہے۔

ایم ٹی سی فتح جنگ پراجیکٹ اپنی تکمیل کے بعد چھکے کو حوالگی کے مرحلے میں ہے۔

اسی طرح فائبر آپٹکس بچھانے کا کام بھی تقریباً مکمل ہو چکا ہے۔

مستقبل کا نقطہ نظر

پوری دنیا معاشی، مالی بحران کا شکار ہے خاص طور پر کوویڈ-19 کے پھیلاؤ کے بعد اس معاشی تناؤ میں شدید اضافہ ہوا ہے۔ ہم مختلف کاموں کے ٹینڈرز میں حصہ لے رہے ہیں اور ہر جلد مناسب ریٹس پر کاموں کے حصول کیلئے پُر امید ہیں۔

اعتراف

کمپنی کی انتظامیہ، انجینئرز اور ملازمین کی محنت اور لگن قابل تعریف ہے اور ہم تعاون، حمایت اور اعتماد کیلئے اپنے گاہکوں، سپلائرز اور چھوٹے ٹھیکیداروں کے تہہ دل سے مشکور ہیں۔

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے

محمد صلاح الدین

خالد قلی خان خٹک

ڈائریکٹر

محمد صلاح الدین

چیف ایگزیکٹو آفیسر

GAMMON PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020 (UN-AUDITED)

	Un-audited September 30, 2020 Rupees	Audited June 30, 2020 Rupees
ASSETS		
NON CURRENT ASSETS		
	Note	
Property, plant and equipment		
Operating fixed assets	287,621,045	288,573,865
Investment property	445,280,200	445,280,201
Long term investments	1,300,413	1,300,413
Long term security deposits	1,861,203	1,861,203
	736,062,861	737,015,682
CURRENT ASSETS		
Stores, spares and loose tools	24,610,963	25,472,319
Contract receivables	85,101,242	83,383,124
Contract assets	93,661,830	137,143,518
Loans and advances	21,823,590	22,236,403
Other receivables	2,407,673	1,934,007
Short term prepayments	202,660	318,761
Tax refunds due from Government	85,011,349	84,706,316
Taxation - net	2,026,778	305,033
Cash and bank balances	909,068	1,204,501
	315,755,153	356,703,982
TOTAL ASSETS	1,051,818,014	1,093,719,664
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share capital	5 282,662,310	282,662,310
Capital reserves		
Share premium reserve	15,380,330	15,380,330
Revaluation surplus on property, plant and equipment	412,308,684	412,774,639
	427,689,014	428,154,969
Accumulated profit	75,608,526	74,960,044
	785,959,850	785,777,323
NON-CURRENT LIABILITIES		
Deferred liability	8,710,041	8,724,735
Deferred taxation	29,847,713	30,057,055
	38,557,754	38,781,790
CURRENT LIABILITIES		
Trade and other payables	9 195,798,638	208,571,578
Unclaimed dividends	1,442,230	1,442,230
Contract liability	-	29,087,201
Joint venture partner's advances	30,059,542	30,059,542
	227,300,410	269,160,551
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	1,051,818,014	1,093,719,664

The annexed notes form integral part of these condensed interim financial statements.


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE


DIRECTOR

GAMMON PAKISTAN LIMITED
CONDENSED INTERIM PROFIT OR LOSS STATEMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	July - Sept, 2020-21 Rupees	July - Sept, 2019-20 Rupees
Contract Income	50,892,144	32,158,540
Contracts Expenditure	48,275,335	31,931,467
Net contract (loss)/profit	2,616,809	227,073
Operating expenses		
General and administrative expenses	6,043,234	4,611,341
Other income	4,705,014	5,572,123
	(1,338,220)	960,782
Operating Profit	1,278,589	1,187,855
Finance cost	3,969	2,471
(Loss) /profit before taxation	1,274,620	1,185,384
Taxation	(1,092,093)	(1,494,235)
(Loss)/profit after tax	182,527	(308,851)
Total Comprehensive Income	-	-
Total Comprehensive (Loss) / Income	182,527	(308,851)
Earning per share - basic and diluted (Rupees)	0.01	(0.01)

The annexed notes form integral part of these condensed interim financial statements.


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE


DIRECTOR

GAMMON PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Share capital	Reserves		Total
		Capital	Revenue	
	Issued, subscribed and paid-up capital	Revaluation surplus on property, plant and equipment	Accumulated (loss)/profit	
	15,380,330	388,777,707	45,799,813	732,620,160
Balance as at July 01, 2018	282,662,310	388,777,707	45,799,813	732,620,160
Total comprehensive income for the period ended September 30, 2018	-	-	(308,851)	(308,851)
Profit for the year	-	(669,213)	669,213	-
- on account of incremental depreciation-net of deferred tax	-	-	-	-
- upon disposal of revalued property, plant and equipment	-	(669,213)	360,362	(308,851)
Transfer from revaluation surplus on property, plant and equipment:	-	-	-	-
- on account of incremental depreciation-net of deferred tax	-	-	-	-
- upon disposal of revalued property, plant and equipment	-	-	-	-
Balance as at September 30, 2018	282,662,310	388,108,494	46,160,175	732,311,309
Balance as at July 01, 2020	282,662,310	412,774,639	74,960,044	785,777,323
Total comprehensive income for the period ended September 30, 2020	-	-	182,527	182,527
Profit for the year	-	(465,955)	465,955	-
- on account of incremental depreciation-net of deferred tax	-	-	-	-
- upon disposal of revalued property, plant and equipment	-	(465,955)	648,482	182,527
Transfer from revaluation surplus on property, plant and equipment:	-	-	-	-
- on account of incremental depreciation-net of deferred tax	-	-	-	-
- upon disposal of revalued property, plant and equipment	-	-	-	-
Balance as at September 30, 2020	282,662,310	412,308,684	75,608,526	785,959,850

Rupees

Balance as at July 01, 2018

Total comprehensive income for the period ended September 30, 2018

Profit for the year

- on account of incremental depreciation-net of deferred tax
- upon disposal of revalued property, plant and equipment

Transfer from revaluation surplus on property, plant and equipment:

- on account of incremental depreciation-net of deferred tax
- upon disposal of revalued property, plant and equipment

Balance as at September 30, 2018

Balance as at July 01, 2020

Total comprehensive income for the period ended September 30, 2020

Profit for the year

- on account of incremental depreciation-net of deferred tax
- upon disposal of revalued property, plant and equipment

Transfer from revaluation surplus on property, plant and equipment:

- on account of incremental depreciation-net of deferred tax
- upon disposal of revalued property, plant and equipment

Balance as at September 30, 2020



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

GAMMON PAKISTAN LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Three months ended	
	September 30,	
	2020	2019
	Rupees	Rupees
Profit/ (Loss) for the period-before taxation	1,274,620	1,185,384
CASH FLOWS FROM OPERATING ACTIVITIES:		
Adjustment for non-cash charges and other items:		
Depreciation	998,822	975,375
Staff retirement benefits-gratuity	80,306	80,306
Finance cost	3,969	2,471
Allocation of loss to joint venture partners	-	-
Staff retirement benefits-gratuity(paid)	(95,000)	(19,850)
	<u>988,097</u>	<u>1,038,302</u>
Profit/(Loss) before working capital changes	2,262,717	2,223,686
Effect on cash flow due to working capital changes:		
Stocks of materials,stores and spares	861,356	1,024,531
Contract Receivables	(1,718,118)	3,363,230
Cost and estimated earnings in excess of billings	43,481,688	(23,076,413)
Loans and advances	412,813	3,511,934
Other Receivables	(473,666)	(2,084,714)
Trade Deposits and short term prepayments	116,101	114,966
	<u>42,680,174</u>	<u>(17,146,466)</u>
Net Change in Current Assets		
Trade and other payables	(12,772,940)	15,460,913
Billing in excess of cost and estimated earnings	(29,087,201)	-
Mobilisation Advance	-	560,000
Materials Received from customers/secured advances	-	-
Net Change in Current Liabilities	<u>(41,860,141)</u>	<u>16,020,913</u>
Net cash inflow/(outflow)from operating activities	3,082,750	1,098,133
Income tax paid	(3,328,214)	(812,553)
Net cash inflow/(outflow) after tax from operating activities	<u>(245,464)</u>	<u>285,580</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Addition of fixed assets	(46,000)	-
Net cash inflow/(outflow) from investing activities	<u>(46,000)</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost paid	(3,969)	(2,471)
Net cash inflow/(outflow) from finance activities	<u>(3,969)</u>	<u>(2,471)</u>
Net increase/decrease in cash and cash equivalent	(295,433)	283,109
Cash and Cash Equivalent -At the beginning of the period	1,204,501	1,885,836
Cash and Cash Equivalent -At the end of the period	<u>909,068</u>	<u>2,168,945</u>

The annexed notes form integral part of these condensed interim financial statements.


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE


DIRECTOR

GAMMON PAKISTAN LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2020(UN-AUDITED)

1. Legal status and nature of business

Gammon Pakistan Limited (the Company) was incorporated under the Companies Act, 1913 (now the Companies Act, 2017) on August 12, 1947 as a Public Company Limited by shares. Its shares are quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in the execution of civil construction works. The registered office of the Company is situated at Gammon House, 400/2 Peshawar Road, Rawalpindi. The Company is a subsidiary of Bibojee Services (Private) Limited.

2. Basis of Preparation

- 2.1.** These condensed interim financial statement have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of :

-international Accounting Standard (IAS) 34, interim Financial Reporting, issued by the international Accounting standard Board (IASB) as notified under the Companies Act 2017;
and

- Provision of and directives issued under the Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2.** These condensed interim financial statements do not include all the information required for complete financial statements and should be read in conjunction with the audited annual financial statements of the company for the year ended 30 June, 2020.
- 2.3.** These condensed interim financial information is been submitted to the share holders as required by section 237 of the companies Act 2017

3. Significant Accounting Policies

The accounting policies and methods of computation adopted in preparation of these condensed interim financial information are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30,2020.

4. Accounting Estimates, Judgments and Financial Risk Management

The preparation of condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2020

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2020.

5. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	Un-audited 30 Sept, 2020 Rupees	Audited 30 June, 2020 Rupees
22,627,320 (30 June, 2020: 22,627,320) ordinary shares of Rs.10 each fully paid in cash	226,273,200	226,273,200
2,562,845 (30 June, 2020: 2,562,845) ordinary shares of Rs.10 each issued as fully paid bonus shares	25,628,450	25,628,450
3,076,066 (30 June, 2020: 3,076,066) ordinary shares of Rs.10 each issued by conversion of the directors' loans	30,760,660	30,760,660
	<u>282,662,310</u>	<u>282,662,310</u>

6. TAXATION

6.1 The Provision for taxation for the quarter ended September 30, 2020 represents minimum tax due under section 113 of the income Tax Ordinance,2001.

6.2 There has been no significant change in the status of tax litigations as reported in the preceding annual financial statements of the Company for the year ended June 30, 2020.

7. CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies and commitments since the date of preceding published financial statements of the Company for the year ended 30 June,2020.

8. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

Rentals received during the period from the associated companies include Rs. Rs750,000/- ,from Ghandhara Nissan Limited & Ghandhara Industries Limited each, Rs.150,000 from Janana De Malucho Textile Mills Limited and Rs.300,000 from Bannu Woollen Mills Limited . Whereas an amount of Rs.1,697,710- is receivable from Bannu Woollen Mills Limited.

9. TRADE AND OTHER PAYABLES

	(Un-Audited) 30 Sep., 2020 Rupees	(Audited) 30 June, 2020 Rupees
Sundry creditors	69,030,841	70,641,342
Advance rent	5,368,506	14,374
Due to sub-contractors	33,130,234	36,170,091
Accrued expenses	41,309,878	54,866,860
Due to employees and others	8,966,299	8,966,299
Taxes payable	1,249,665	1,169,397
Joint venture partners' share of profit	1,620,715	1,620,715
Other provisions	9.1 35,122,500	35,122,500
	<u>195,798,638</u>	<u>208,571,578</u>

9.1 This represent provision made for the potential liability, in respect of borrowings of Saudi Riyals 2.500 million and Saudi Riyals 5.000 million during the year 1986 for the Saudi Operations of the Company. The Company may have to bear this amount as a result for settlement of overseas dues of National Bank of Pakistan in accordance with the incentive Scheme under the State Bank of Pakistan's Circular No.19 of 05 June,1997 .

10. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company in its Meeting held on **October 29, 2020**

11. GENERAL

Figures in the financial statements have been rounded-off to the nearest Rupee except when stated otherwise.

Corresponding figures have been re-arranged or re-classified wherever necessary in these financial statements.


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE


DIRECTOR

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